

*Missouri Department of  
Labor and Industrial Relations*



*Matt Blunt*  
*Governor*

*“As governor, I have worked to  
cultivate economic growth  
and make Missouri a state of  
opportunity by enacting pro-jobs,  
pro-growth initiatives.”*

*– Gov. Matt Blunt*


**MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

421 EAST DUNKLIN STREET

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**MATT BLUNT**  
GOVERNOR

**TODD SMITH**  
DEPARTMENT DIRECTOR

**Todd Smith**  
**Director**

It is with great pleasure that I present to you the 2008 Annual Report of the Missouri Department of Labor and Industrial Relations. This report provides a summary of the programs and services provided by the Department to support Missouri's employers and employees. Highlighted within are significant improvements, changes, and accomplishments that occurred during the year.

The Department is responsible for providing a variety of services and information that promote economic security, safe and healthy workplaces, and protection for wage earners. It also is our duty to administer state and federal laws regarding employer and employee rights and responsibilities.

In 2008, the Department worked to improve Missouri's business climate by partnering with outside agencies for improved compliance with laws and more efficient services for our customers. We also worked to increase awareness of our programs and operations to further promote workplace safety, employment security, protection of taxpayers' dollars, and protection against fraud through bogus Internet sites.

Throughout the past year, the Department worked toward achieving a set of established benchmarks designed to rate our success and chart our progress. The performance measures are used to assist the Department in gauging its success in meeting customer needs.

Also included in this report is a summary of the Department's legislative accomplishments and challenges faced by the Department in 2008. We look forward to assisting customers and providing improved services in the years ahead.

Sincerely,

 Todd Smith  
Director

## *Department of Labor and Industrial Relations Executive Staff*



*Front row l-r:*

*Matt Murphy, General Counsel; Rod Burnett, Deputy Director; Todd Smith, Department Director; and Jeff Buker, Division of Workers' Compensation Director.*

*Back row l-r:*

*Tammy Cavender, Director of Administration; Paul Buckley, Division of Labor Standards Director; Spencer Clark, Division of Employment Security Acting Director; Alice Bartlett, Commissioner of the Labor and Industrial Relations Commission; and Alisa Warren, Executive Director of the Missouri Commission on Human Rights.*

*Not pictured:*

*William F. Ringer, Chair of the Labor and Industrial Relations Commission; John J. Hickey, Commissioner of the Labor and Industrial Relations Commission; and James Avery, Chairman of the State Board of Mediation.*



Missouri Department of Labor and Industrial Relations (DOLIR) employees have long prided themselves in quality customer service provided to the citizens of Missouri. A rapidly expanding work environment, coupled with reduced resources and antiquated technologies, has made both the Department and its Divisions' missions increasingly more challenging to accomplish. Therefore, the DOLIR has determined that a new approach to both the business processes and their supporting technology across all Divisions must be realized. This approach and its outcome will constitute the future DOLIR enterprise. A Department-wide collaborative effort to support the new vision and to provide an environment where all DOLIR stakeholders successfully partner to conduct business will be critical to the success of this endeavor.



Ultimately, this approach will guide the DOLIR toward better responsiveness as a result of efficiencies gained through information integration and consolidation of common business functions and processes across the envisioned enterprise. Successful execution will ensure the DOLIR will be able to accomplish its mission to promote and protect industry and labor and to do so with an increased level of service.

During summer 2008, the Department's leadership took steps to move the DOLIR from a distinct Division-based business operation toward the envisioned enterprise approach. While this transformation will impact all Divisions operating under the umbrella of the DOLIR, not all Divisions will be directly incorporated into the system. Those Divisions directly involved include: the Labor and Industrial Relations Commission (LIRC), Division of Labor Standards (DLS), Division of Workers' Compensation (DWC), and the Division of Employment Security (DES). While each Division within the DOLIR has a unique mission, their complementary roles combined with parallel efforts and like stakeholders supports the Department's new direction. It is the DOLIR's intent to leverage the distinct organizational knowledge at the Division level to create the foundation for the integrated DOLIR Enterprise.



**DOLIR Enterprise Team Members**

**(l-r): LaTrevia Jackson, DWC Business Analyst; Matt Hankins, Management Analyst II – DOLIR Subject Matter Expert (SME); Shauna Qualls, Unemployment Insurance (UI) Assistant Project Manager; Paul Rockers, Enterprise Program Manager; Susan Edoho, DES Administrative Analyst; Rodney Rice, Computer Information Technologist (CIT) III – State of Missouri Certified Project Manager; Lauri Luebbering, CIT Supervisor – ITSD Project Manager of DWC Business Analysis; Ron Harris, DWC Administrative Law Judge; and Richard Stickann, Business Project Manager – DWC Business Analysis. Not pictured: Robert Lambert, Management Analyst II – DOLIR SME.**



**Members of the DOLIR enterprise team conduct interviews regarding the Division of Labor Standards' (DLS) processes. (l-r): Darrin Walk, DLS Occupational Safety and Health Consultant/Supervisor; Robert Lambert, Management Analyst II – DOLIR SME; Ross Gilmore, CapTech; and Lana Temmen, DLS Executive I.**

This transformation will address three major business components: business process streamlining, organizational realignment, and an enterprise integration approach to information technology. The transformation of the DOLIR and its business operations will be based on innovative public and private sector best practices with the overall goal of improving our business processes to best serve the public.

The first steps have been taken toward a multi-year, Department-wide modernization effort that will position Missouri DOLIR as a nationally recognized industry leader and innovator in all aspects of its public service. By equipping a well-trained staff with state-of-the-

art functionality, the DOLIR, in partnership with the Office of Administration-Information Technology Services Division (OA-ITSD), will create a seamless integration effort that ultimately will assist the Department in meeting the needs of Missouri citizens.

Missouri citizens deserve the best public service that the DOLIR can provide. DOLIR staff and OA-ITSD deserve the proper tools to best provide that service. Through the establishment of the DOLIR enterprise, the Department readily accepts its role in this process as it journeys towards its goals.



**DOLIR enterprise team members meet with Division supervisors to learn more about their business practices. (clockwise): Nasreen Esmail, Division of Workers' Compensation (DWC) Chief Legal Counsel; Naomi Pierson, DWC Awards Clerk – Legal; Brad Nagel, CapTech; Lauri Luebbering, Project Manager, DWC Business Analysis; Richard Stickann, DWC Project Manager; and Nana Amoakohere, CapTech.**

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*“Over the last four years, together with the dedication of Missouri’s working men and women, we have let job creators know that Missouri is open for business.”*

*– Gov. Matt Blunt*





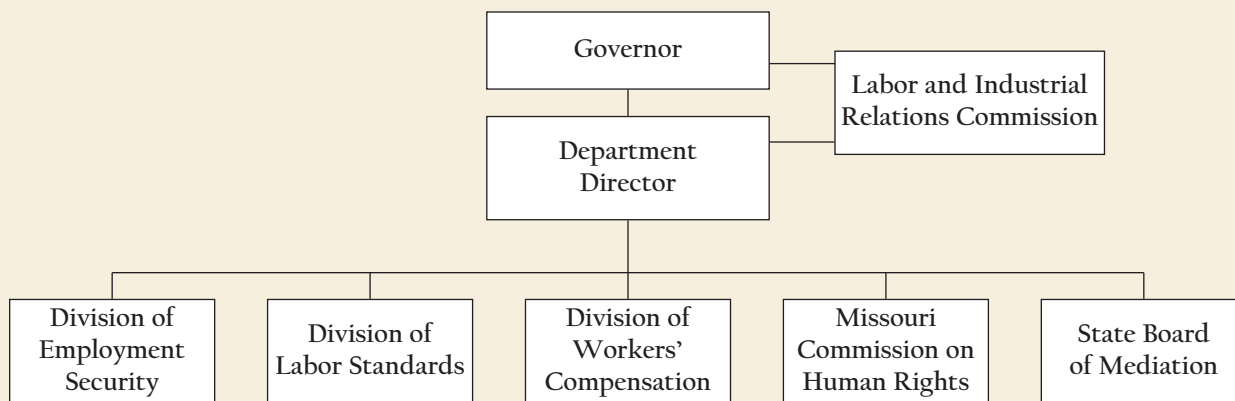
# Introduction

The Omnibus State Reorganization Act of 1974 established the current Department of Labor and Industrial Relations. The Department is responsible for administering programs that

- (1) provide an income contribution for workers to offset the time lost from a job because of injury;
- (2) provide an income contribution for workers to offset the loss of a job because of layoff;
- (3) determine the appropriate bargaining unit for public employees;
- (4) determine wages for public works construction projects;
- (5) promote safe working environments;
- (6) enforce Missouri's anti-discriminatory statutes in the areas of housing, employment and public accommodation; and
- (7) investigate allegations of workers' compensation fraud and noncompliance.

Agencies operating within the Department are: Labor and Industrial Relations Commission, Division of Labor Standards, Division of Workers' Compensation, Division of Employment Security, the Missouri Commission on Human Rights, and the State Board of Mediation.

Refer to pages 34-39 for a complete listing of all agencies and services offered by the Missouri Department of Labor and Industrial Relations.



## *Vision*

For businesses and employees succeeding together in safe and healthy workplaces free from unlawful discrimination.

## *Mission*

To promote and protect industry and labor.

## *Values*

The Department of Labor and Industrial Relations believes in the following principles to accomplish its vision and mission:

Excellence - Impartiality - Integrity - Respect - Stewardship

# Contact Us

## *Office of the Director*

421 East Dunklin Street P.O. Box 504 Jefferson City, MO 65102-0504  
 Telephone: 573-751-9691 Fax: 573-751-4135  
 Home page: [www.dolir.mo.gov](http://www.dolir.mo.gov) E-mail: [diroffice@dolir.mo.gov](mailto:diroffice@dolir.mo.gov)

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## *Labor and Industrial Relations Commission*

3315 West Truman Boulevard P.O. Box 599 Jefferson City, MO 65102-0599  
 Telephone: 573-751-2461 Fax: 573-751-7806  
 Home page: [www.dolir.mo.gov/lirc](http://www.dolir.mo.gov/lirc) E-mail: [lirc@dolir.mo.gov](mailto:lirc@dolir.mo.gov)

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## *Division of Employment Security*

421 East Dunklin Street P.O. Box 59 Jefferson City, MO 65104-0059  
 Telephone: 573-751-3215 Fax: 573-751-4945  
 Home page: [www.dolir.mo.gov/es](http://www.dolir.mo.gov/es) Claimant E-mail: [esuiclaims@dolir.mo.gov](mailto:esuiclaims@dolir.mo.gov)  
 Employers E-mail: [esemptax@dolir.mo.gov](mailto:esemptax@dolir.mo.gov) Appeals E-mail: [appealstribunal@dolir.mo.gov](mailto:appealstribunal@dolir.mo.gov)

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## *Division of Labor Standards*

3315 West Truman Boulevard P.O. Box 449 Jefferson City, MO 65102-0449  
 Telephone: 573-751-3403 Fax: 573-751-3721  
 Home page: [www.dolir.mo.gov/ls](http://www.dolir.mo.gov/ls) E-mail: [laborstandards@dolir.mo.gov](mailto:laborstandards@dolir.mo.gov)

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## *Division of Workers' Compensation*

3315 West Truman Boulevard P.O. Box 58 Jefferson City, MO 65102-0058  
 Telephone: 573-751-4231 Fax: 573-751-2012  
 Home page: [www.dolir.mo.gov/wc](http://www.dolir.mo.gov/wc) E-mail: [workerscomp@dolir.mo.gov](mailto:workerscomp@dolir.mo.gov)

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## *Missouri Commission on Human Rights*

3315 West Truman Boulevard P.O. Box 1129 Jefferson City, MO 65102-1129  
 Telephone: 573-751-3325 Fax: 573-751-2905  
 Home page: [www.dolir.mo.gov/hr](http://www.dolir.mo.gov/hr) E-mail: [mchr@dolir.mo.gov](mailto:mchr@dolir.mo.gov)

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## *State Board of Mediation*

3315 West Truman Boulevard P.O. Box 2071 Jefferson City, MO 65102-2071  
 Telephone: 573-751-3614 Fax: 573-751-0083  
 Home page: [www.dolir.mo.gov/sbm](http://www.dolir.mo.gov/sbm) E-mail: [sbm@dolir.mo.gov](mailto:sbm@dolir.mo.gov)

# Important Telephone Numbers

## *Employee*

### *Unemployment Insurance*

(To file for benefits or to get claims information)

Toll Free: 800-320-2519

Or locally at: Jefferson City: 573-751-9040

Kansas City: 816-889-3101

Springfield: 417-895-6851

St. Louis: 314-340-4950

### *Workers' Compensation*

Employee Information Line:

800-775-2667

## *Employer*

### *Unemployment Insurance*

Unemployment Insurance Tax/Appeal Information:

573-751-3215

Unemployment State Tax Automated Reporting (USTAR):

573-751-1995

### *Workers' Compensation*

Employer Information Line:

888-837-6069

## *All Inquiries*

### *Wage and Hour Information*

(Questions regarding lunch, breaks, vacation pay, overtime, and more)

Workplace Safety and Health Information

Prevailing Wage Information

573-751-3403

### *Discrimination Claims*

(Discrimination in Employment, Housing and Public Accommodations)

573-751-3325

### *Appeal Information*

(Highest level appeal information regarding unemployment insurance, workers' compensation, crime and tort victims, as well as prevailing wage)

573-751-2461

# Year in Review

## *Changes to Missouri's Minimum Wage Law Confirmed*

*Effective January 1, 2009, Minimum Hourly Wage Increases from \$6.65 to \$7.05 per Hour*

Effective January 1, 2009, Missourians will see an increase to the minimum wage rate. Beginning the first of the year, the state's minimum hourly wage will increase by 40 cents from \$6.65 to \$7.05 per hour.

"In August, the Department of Labor and Industrial Relations (DOLIR) released preliminary data projecting an increase to Missouri's minimum wage by 40 cents," said Todd Smith, DOLIR Director. "A review of the Consumer Price Index (CPI) for July 2008 confirms the Missouri minimum wage rate will increase to \$7.05 effective January 1, 2009," Smith added.

Missouri's minimum wage law requires the DOLIR Director to determine on September 30, 2008, any required adjustments to the minimum wage earnings based on changes in the CPI. The confirmed rate change is based on a 6.0 percent change in the CPI between July 2007 and July 2008. The minimum wage law applies to all businesses/employees that are not specifically exempted.

For questions pertaining to Missouri's minimum wage law please call the Department's Division of Labor Standards at (573) 751-3403 or visit [www.dolir.mo.gov/LS/minimumwage/index.asp](http://www.dolir.mo.gov/LS/minimumwage/index.asp).

## *Department of Labor Launches New Debit Card Program*

This year, the Missouri Department of Labor and Industrial Relations (DOLIR) launched its new debit card program, which will save Missouri taxpayers \$643,762 a year through the elimination of postage fees and other mailing expenses.

Starting in July, the DOLIR began offering Missourians eligible to receive unemployment insurance (UI) benefits, Emergency Unemployment Compensation, Second Injury Fund payments, and disaster unemployment benefits, as well as those displaced workers covered by the Trade Act, the benefit of having funds deposited to a debit card. Claimants who utilize the electronic payment method will receive their money faster – within two business days of being processed – and no longer will need to wait for the mail to deliver their checks.

The new debit cards also are expected to reduce fraud by eliminating stolen, lost and misdirected checks, and can be used at thousands of ATMs and point-of-purchase locations across the state, such as grocery stores or gas stations.

The debit card program is administered by the DOLIR's Division of Employment Security and is aptly called "Missouri Access."

The program's launch included a pilot program to ensure the debit card process worked smoothly and effectively. During this test phase, a small sampling of claimants received their payments under the new system. The test phase of the program allowed DOLIR to identify any needed improvements prior to expanding the program to a broader customer base.





## *Department Staff Announced Winners of the 2008 Governor's Award for Quality and Productivity*

Department Director Todd Smith announced the Division of Employment Security eFolders team was selected a winner of the 2008 Governor's Award for Quality and Productivity (GAQP) in the "Technology in Government" category. This is an extremely prestigious honor, as only one winning team is selected for each of the five categories.

Director Smith also announced that the Mail Consolidation Team, an inter-agency team consisting of team members representing the DOLIR and all other executive departments, was selected a winner in the "Efficiency" category.

Winners were officially recognized for their achievement in October by Trish Vincent, Gov. Matt Blunt's Chief of Staff, during a GAQP ceremony held in the Missouri State Capitol Rotunda. The following DOLIR staff comprises the eFolders and Inter-agency Mail Consolidation teams:

### **DOLIR eFolders Team:**

Rodney Rice, OA-ITSD-DOLIR, Computer Information Technologist III  
– Project Manager

Stuart Huddleston, OA-ITSD-DOLIR, Computer Information Technology Supervisor II

Karrie Ketchum, OA-ITSD-DOLIR, Computer Information Technologist III

Lori Orman, OA-ITSD-DOLIR, Computer Information Technologist III

Edward Durrill, OA-ITSD-DOLIR, Computer Information Technologist III

Brenda Skidmore, OA-ITSD-DOLIR, Computer Information Specialist I

Ken Holzem, OA-ITSD-DOLIR, Computer Information Technology Supervisor II

Russell Franke, OA-ITSD-DOLIR, Computer Information Technologist III

Janet Lepper, DOLIR - DES, Broad Band Manager I

Carol Luecke, DOLIR - DES, Broad Band Manager I

Patrick Noonan, DOLIR - DES, Broad Band Manager I

Robert Lambert, DOLIR - DES, Claims Supervisor II

Cynthia Palisch, DOLIR - DES, Claims Supervisor II

Leah McWilliams, DOLIR - DES, Claims Supervisor III

Jared Brockman, DOLIR - DES, Claims Supervisor III

Kathy Ruppel, OA-ITSD-DOLIR, Computer Information Technology Specialist I

John Spillars, OA-ITSD-DOLIR, Computer Information Technologist III

John Butler, OA-ITSD-DOLIR, Computer Information Technology Supervisor II

Christine Luna, DOLIR - DES, Claims Supervisor II

Tony Giboney, OA-ITSD-DOLIR, Computer Information Technology Specialist I

Not pictured: Carolyn Koetting, DOLIR - DES, Claims Supervisor III

### **Inter-agency Mail Consolidation Team:**

The DOLIR staff included:

Doug Stephan, DOLIR Administration, Supply

Ken Wilks, DOLIR Administration, Research and Analysis



**eFolders Team**



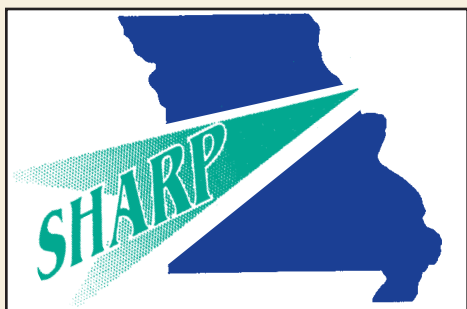
**Inter-agency Mail Consolidation Team**

## Year in Review

### *International Dehydrated Foods, Inc., is among Best in Workplace Safety* Department of Labor Bestows Manufacturer with Prestigious SHARP Award

When it comes to enforcing labor standards in Missouri, workplace safety ranks high on the list of priorities for the Missouri Department of Labor and Industrial Relations (DOLIR). As a result, the Department recognizes those Missouri businesses that utilize best-practice standards in workplace safety.

The Department's Division of Labor Standards announced in October that International Dehydrated Foods, Inc., Monett, Mo., earned the distinction of being named the newest member of Missouri's Safety and Health Achievement Recognition Program (SHARP). International Dehydrated Foods, Inc., implemented the SHARP safety management program and achieved an excellent workplace safety record qualifying the manufacturer for this exclusive safety and health incentive and recognition program.



The company was honored for its achievement during a ceremony on October 22 at the business, which is located at 700 S. Chapel Drive in Monett. Officials from the U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), and the DOLIR presented the business a proclamation signed by Gov. Matt Blunt, a Certificate of Recognition, and a SHARP flag.

SHARP is the highest level consultative services program of the Missouri On-Site Safety and Health Consultation Program. It is designed to promote effective workplace safety and health program management. SHARP also is designed to provide incentives and support to smaller, high-hazard employers to work with their employees to develop, implement, and continuously improve the effectiveness of their workplace safety and health programs. All SHARP companies are exempt from programmed OSHA inspections from one to three years.

To be eligible for SHARP, a company may employ no more than 500 total employees at all nationwide worksites. In addition, the worksite's lost workday injury and illness rate must be below the national average for its industry. Presently, 23 Missouri companies participate in the SHARP program. Criteria for inclusion in the SHARP include management leadership and employee involvement, worksite analysis, hazard prevention and control, and safety and health training.

For more information about the SHARP or to request a free safety and health consultation, please visit the Internet site [www.dolir.mo.gov/lr](http://www.dolir.mo.gov/lr) or call (573) 751-3403.

### *Department of Labor Launches the DOLIR News Online Newsletter*



In June 2008, the Missouri Department of Labor and Industrial Relations launched an online quarterly newsletter, the DOLIR News, as another tool to communicate Department happenings to our publics.

DOLIR News informs our staff, constituents, and industry partners of current and recent labor news. The online newsletter tells our audiences about changes to the laws, Department successes, new programs and initiatives, and gives us the opportunity to promote our staff's accomplishments and honors.

Each issue contains valuable information. To view current and past issues or to subscribe online, please visit the Internet site, [www.dolir.mo.gov](http://www.dolir.mo.gov) and click on the DOLIR News icon found near the top right corner of the Home page.

## ***Department of Labor Announces Annual “Safe Jobs for Youth” Campaign Kickoff***

Prior to the start of summer when thousands of youth eagerly anticipated entering Missouri’s workplace and taking summer jobs, the Missouri Department of Labor and Industrial Relations (DOLIR) announced the start of its “Safe Jobs for Youth” awareness campaign. The campaign was designed to focus on preventing youth injuries in the workplace.

The DOLIR’s Division of Labor Standards ran campaign ads on radio stations throughout Missouri during the entire month of May to help employers, parents, schools, and most importantly Missouri’s youth, prepare for summer jobs. A new Internet site, [www.molaborlaws.com](http://www.molaborlaws.com) was released as a single source of information. This site remained active year-round to provide ongoing updates regarding child labor and other labor laws to help educate Missouri’s workers and employers throughout the year.

In 2007, 530 of Missouri’s youth under 18 suffered injuries severe enough to file injury reports. While this was a significant decrease from 2006 in which 1,500 youth injuries were reported, the DOLIR wants to help prevent even more injuries from occurring, and the “Safe Jobs for Youth” campaign is another method of education, promotion, and prevention.



Missouri’s child labor law restricts the age, number of hours, and occupations youth can work. Prohibited occupations generally involve dangerous equipment (cookers and slicers), dangerous materials (such as toxic chemicals), and dangerous duties (driving and roofing).

The Division of Labor Standards offers employers several resources to assist in keeping working youth safe. The On-Site Consultation program is a free, confidential program for employers to help them maintain hazard-free workplaces. In addition, staff is available to conduct training, offer presentations, attend conferences, and answer general requests for assistance.

## ***Department of Labor and Industrial Relations Warns Against Bogus Internet Sites***

The Missouri Department of Labor and Industrial Relations (DOLIR) warned Missourians of unofficial Internet sites urging them to file unemployment insurance (UI) claims and other services the DOLIR provides for free.

Missourians were told to be aware that the Internet site [www.moclaims.com](http://www.moclaims.com), with an “s” on the word “claim,” is misleading in that it has no affiliation with the DOLIR. The official Internet site for filing unemployment insurance claims through the DOLIR is [www.moclaim.com](http://www.moclaim.com) (claim spelled with no “s”).

In addition, Missourians were warned that the Internet site, [www.unemploymentbenefits.com](http://www.unemploymentbenefits.com), has no association with the DOLIR. Administrators of the site were charging consumers fees ranging from \$3-\$10 to file a UI claim. The processing of Missouri UI claims is a free service provided by the DOLIR’s Division of Employment Security.

Under Missouri law, workers who become unemployed through no fault of their own and are actively seeking work may be eligible to receive up to 26 weeks of UI benefits. To file a Missouri unemployment insurance claim, please visit the Internet site, [www.moclaim.com](http://www.moclaim.com). The official Internet site of the Missouri Department of Labor is [www.dolir.mo.gov](http://www.dolir.mo.gov).



# Year in Review

## Students Honored for Fair Housing Poster and Journalism Contests

In May, six students were honored during a recognition luncheon for their creative posters and essays submitted in the 2008 Poster and Journalism contests sponsored by the Missouri Commission on Human Rights.

Students were asked to design a poster or write an essay based on the theme “Equal Employment Opportunity – Make it Work in Missouri.” Three recipients from each contest were selected to receive \$500 for first place; \$250 for second place; and \$100 for third place. Schools of winning students each received the same amount of prize money as awarded the students.

The purpose of the Poster and Journalism contests is to reward excellence in art and journalism, while increasing awareness of equal employment opportunity in Missouri’s youth. Both contests were open to students in grades 7 through 12.



**Above: Lauren Okruch, first-place poster**



**Right: Melissa Head, third-place poster**



**Above: Kyle Gardner, first-place journalism**

**Left: KeJuan Darden, second-place journalism**

## *Department of Labor's 2008 Legislative Accomplishments*

### *Unemployment Insurance*

The Department of Labor and Industrial Relations (DOLIR) proposed the majority of language contained in House Bill (HB) 2041, which modifies several provisions relating to unemployment compensation.

One of the most important elements of the bill is a measure to establish an employer surcharge that will fund automation upgrades for the Division of Employment Security (DES). The current computer system utilized by the DES is more than 40 years old, and there are no funds available to replace it. In order to take advantage of computer efficiencies, new technologies must be utilized. The automation surcharge will provide the funds needed to modernize the DES computer system – a priority for both the operation and improvement of services provided by the Division.

HB 2041 also included a very important provision dealing with confidentiality. This language will establish criminal penalties for the unauthorized disclosure of confidential unemployment insurance information and is the result of a federal mandate. If not enacted, Missouri's unemployment insurance program will not be certified by the U.S. Department of Labor. If the program fails to be certified, Missouri would lose \$34 million in federal funds to administer the unemployment insurance program, and Missouri employers would lose \$977 million annually in Federal Unemployment Tax Act (FUTA) credits.

Other modifications result in small fiscal savings as a result of not mailing certain notices or sending notices electronically.

### *Missouri's Minimum Wage Law*

House Bills (HB) 1883 and 2041 contained identical provisions regarding Missouri's Minimum Wage Law (MMWL). These provisions include changes pertaining to requirements for overtime compensation and a new section which grants the DOLIR the proper authority to promulgate (make known) rules regarding the enforcement of the MMWL. HB 2041 contains an emergency clause pertaining to the changes in Section 290.505. However, an emergency clause pertaining to Section 290.523 did not exist in either bill.

Prior to the passage of Proposition B (Prop B) the MMWL did not apply to any individual who received the minimum wage pursuant to the Federal Fair Labor Standards Act (FLSA). With the passage of Prop B, any reference to federal law was removed and the MMWL applied to all covered employers and employees including firefighters and law enforcement employees, among others.

The changes in Section 290.505 in HBs 1883 and 2041 do not change applicability of the MMWL, but states that the overtime provisions of the law do not apply to employees who are exempt from the federal minimum wage or overtime requirements specified in Section 207 and 213 of the FLSA. Section 213 (a)-(b) was included in Prop B. Therefore, the MMWL overtime requirements do not apply to employees who are employed as firefighters and law enforcement in accordance with 207(k). The requirement of overtime for employees in these capacities recently was overturned in the 'Wright' decision issued by the Cole County Circuit Court, but the changes in these bills further clarify that the MMWL overtime requirements do not apply to employees in these capacities, as well as employees who are paid on a commission rate in accordance with 207(i) and employees employed at a hospital or other establishment in accordance with 207(j).

The addition of the new Section 290.523 grants the DOLIR authority to promulgate rules as are necessary for the enforcement and administration of the MMWL. Since the passage of Prop B, the DOLIR has been unable to answer numerous questions because the issue is not specifically addressed by statute or rule. Rules will be beneficial with assisting constituents by answering questions and providing guidance relating



## Year in Review

to employer and employee rights and responsibilities, as well as assisting the DOLIR with enforcement. Regulations have been drafted and were filed with the Secretary of State's Office on Aug. 15, 2008.

### *Second Injury Fund*

House Bill (HB) 1883 includes language that rejects and abrogates the Missouri Supreme Court decision in *'Schoemehl v. Treasurer of State,'* 217 S.W. 3d 900 (2007) and clarifies that the surviving dependent(s) of the employee is not entitled to receive the unpaid un-accrued permanent total disability benefits. Under the act, all rights to un-accrued compensation for permanent total disability shall cease upon the death of the injured employee. Unpaid un-accrued compensation for permanent partial disability will continue to be paid to dependents.

This legislation would potentially create a savings for the Second Injury Fund and the employer/insurer. By reducing the number of people eligible to receive permanent total disability benefits as dependents after the injured worker dies, the result would arguably be more money remaining in the Second Injury Fund.

### *Appropriations*

House Bill (HB) 2005 includes very important funding for a Division of Workers' Compensation (DWC) Information Technology (IT) project.

Initially, a decision item was submitted within the DOLIR FY09 Budget Request for \$5 million for a DWC UI Modernization Computer System and Design. The first phase, for a business system analysis (\$850,000) was submitted and awarded in the FY08 Budget Request. The second phase - to design and develop a new business system as recommended by the business analysis - will take approximately 3-4 years and cost from \$20-\$25 million. DOLIR's request for funding resulted in \$5 million toward project implementation.

## *Departments of Labor, Health Preventing Deceased Claimants from Collecting Benefits*

The Missouri Department of Labor and Industrial Relations (DOLIR) and the Department of Health and Senior Services (DHSS) have bolstered their efforts to prevent compensation payments from going to deceased Missouri claimants.

This first ever agreement between the two departments allows DOLIR's Division of Workers' Compensation to check their record of payments from the Second Injury Fund (SIF) for payment of compensation and benefits to claimants, including weekly permanent total disability (PTD) benefits. The SIF compensates injured employees when a current work-related injury combines with a prior disability to create an increased combined disability.

The agreement allows DHSS to match data of vital statistics to DOLIR for residents whose deaths occurred in Missouri. The Division of Workers' Compensation then can use the data to verify eligibility of those receiving SIF compensation and benefits.

In February, the departments found their first match against the data. The match resulted in the identification of a deceased person receiving benefits, which was quickly addressed. The departments will routinely run this data, providing better efficiency and accuracy in state government.

For more information regarding the Division of Workers' Compensation, visit the Internet site, [www.dolir.mo.gov/wc/index.asp](http://www.dolir.mo.gov/wc/index.asp).



## ***Department of Labor and Industrial Relations Secures Federal Grant to Promote Safety in Missouri's Mine Industry***

In August, the Missouri Department of Labor and Industrial Relations' (DOLIR) Division of Labor Standards – Mine and Cave Safety Section was awarded a supplemental federal grant of \$15,000. The supplemental funding will enhance the Mine and Cave Safety Program's "Walk and Talk Program" to promote mining safety training for mine operators and workers at no cost to the mines.

The "Walk and Talk Program" consists of three 15-minute short courses that provide safety alternatives to curtail the current injury trends in the industry through training and education. The Instructors/Inspectors will visit at least 105 mines and provide immediate services to the mine site. The combined interventions will result in the training of up to 600 miners within one year, 105 training plans and safety plans developed, and a host of other services made available to the mines, miners and contract miners. The greatest accomplishment from this intervention will be the quality training and information that will assist each miner or contract miner in ensuring that every day is a safer day.

This intervention is specifically targeted to small mines, contract miners, or mines without training programs. The goal is to provide quick and easy, yet quality training to those miners. Although specific, the target audience is large, as more companies are applying for mining permits. Through assistance from the federal grant, the program is fully equipped and our staff is ready to provide value-added training to reduce mining accidents, and prevent injuries and fatalities.

For more information about the DOLIR's Mine and Cave Safety Program, visit the Internet site [www.dolir.mo.gov/lr/minesafety/training.htm](http://www.dolir.mo.gov/lr/minesafety/training.htm), or call the Division of Labor Standards at (573) 751-3403.



***Workers discuss mine safety in Missouri.***

## ***Unemployment Benefits Extended by 13 Weeks for Eligible Missourians***

In July, President George W. Bush signed legislation allowing up to 13 weeks of extended unemployment benefits to eligible workers. The extension may assist as many as 50,000 Missourians.

Prior to the signing of the bill, unemployment benefits typically expired after a maximum of 26 weeks. With the 13-week extension, those who are eligible will receive up to 39 weeks of unemployment benefits. In 2007, Missouri's average duration for payment of unemployment benefits was 14 weeks, which fell below the national average of 15.2 weeks.

Missouri workers must have exhausted their unemployment benefits after May 1, 2007, or have a benefit year ending after May 1, 2007, to be potentially eligible for the additional 13 weeks. To receive extended benefits, eligible Missourians must file a new, separate claim.

"By extending unemployment benefits to Missourians, we have an opportunity to provide additional short-term assistance to individuals who qualify," said Todd Smith, Missouri Department of Labor and Industrial Relations (DOLIR) Director.

The state reviewed files to determine those eligible for the extension and notified those persons by mail. Once the application for extended benefits was processed, the weekly certification (claim) could be filed using the DOLIR's Division of Employment Security's Internet site, [www.mocclaim.com](http://www.mocclaim.com) or automated telephone system.

# Year in Review

## *The Department's Fraud and Noncompliance Unit Wins Statewide Honor, Department Employee Named Investigator of the Year*

Each year, the Missouri State Investigators Association recognizes the accomplishments of an investigator or investigative unit that has made an exceptional contribution to the field of investigations and the communities they serve. In 2008, both awards were received by the Department of Labor and Industrial Relations' (DOLIR) Fraud and Noncompliance Unit (FNU). The FNU is housed within the DOLIR's Division of Workers' Compensation.

### *Investigator of the Year*

During Investigator II Ronald Vernon's brief two-year employment with the DOLIR, he has proven himself an invaluable team member. Vernon conducts statewide criminal investigations into allegations of workers' compensation fraud and noncompliance. In 2007, he was assigned 138 investigations and referred 54 for possible prosecution. As a result of his referrals, more than \$67,000 is being recovered and returned to the Workers' Compensation Fund.



**Ronald Vernon**

### *Investigative Unit of the Year*

The DOLIR's FNU conducts criminal investigations into workers' compensation fraud and noncompliance committed throughout Missouri. It was reported that in 2007, the unit referred more cases for prosecution than any other workers' compensation bureau in the United States.

Last year, the unit received 1,044 criminal allegations, and of those investigated cases, 198 were referred for prosecution. This number is up by 35 in comparison to cases referred in 2006. Of those cases referred, 19

were successful prosecutions; 66 were deferred prosecution agreements; and \$304,086.03 was received in statutory penalties.



**Joyce Boss, Patrick Reid, Ken McKinney, Byron Klemme (Interim Chief Administrator), Gary Schmidt (former Acting Chief Administrator), Ron Vernon, Jim Cunningham, Jeff Buker (Director of the Division of Workers' Compensation), and Sue Ann Loesch.**  
**Not pictured: Calvin Crandall, Stephen Doden, DeWayne Hickey, Dwight Miller, Mark Moses, Sharon Personett, and Debbie Sumpter.**



## *Department of Labor and the IRS Partner to Improve Compliance with Employment Tax Laws*

The Missouri Department of Labor and Industrial Relations (DOLIR) has joined more than two dozen state workforce agencies that have signed partnership agreements with the Internal Revenue Service (IRS). The goal is to help the IRS and the states reduce fraudulent filings, uncover employment tax avoidance schemes, and ensure proper worker classification. So far, more than 30 states have entered into individual information-sharing agreements with the IRS. Missouri signed its Memorandum of Understanding (MOU) in May 2008.

The agreements, part of the Questionable Employment Tax Practice (QETP) initiative, provide a centralized, uniform means for the IRS and state employment officials to exchange data, thereby leveraging resources and encouraging businesses to comply with federal and state employment tax requirements. QETPs are employment tax schemes that serve no purpose other than to avoid federal and/or state employment taxes.

Members of the QETP agreement are the DOLIR's Division of Employment Security, the IRS, the U.S. Department of Labor, the National Association of State Workforce Agencies (NASWA), and the Federation of Tax Administrators.

The sharing of resources will help the state reduce fraudulent filings and make significant improvements in state services, demonstrating our continued commitment to attacking noncompliance and fraud. The exchange of audit reports, and the participation of side-by-side examinations, when appropriate, will allow the participating agencies to improve their oversight mechanisms that will result in cooperation and compliance with employment tax rules and regulations.

The agreement also will help decrease state and federal tax gaps and ensure that businesses are operating on a level playing field by making certain that everyone pays their proper share of employment taxes.

In addition to coordinating compliance activities, the agreement calls for collaborative outreach and education activities designed to help businesses understand their employment and unemployment tax responsibilities.

The multiple state exchange agreements are the first result of the QETP initiative. The various QETP teams formed within each state will use the results of the project to find new opportunities for collaboration and to work toward improved employment tax compliance.



Department of the Treasury  
**Internal Revenue Service**



# Year in Review

## *Department of Labor's Leadership Visits Doe Run Brushy Creek Mining Company*

The Missouri Department of Labor and Industrial Relations' (DOLIR) Division of Labor Standards administers Missouri's Mine and Cave Safety and Health Program, which trains miners in implementing safe and healthy working habits at the workplace, free of charge. The program also offers safety and health consultation services, conducts mine and cave safety inspections, and assists with mine openings and closings.

Oversight of mine and cave safety in Missouri is a huge responsibility for the DOLIR. This is due not only to the high-risk nature of the job, but also because of its popularity. Mining is big business in Missouri. According to the Mining Industry Council of Missouri, the economic impact of mining in the Show-Me State is \$8.46 billion annually. To further emphasize the impact of mining in Missouri, the state often is referred to as "The Cave State" due to the more than 5,600 known caves that sprinkle its landscape, including 20 show caves, which are open to the public for guided tours.

As a Department dedicated to ensuring mine and cave safety in Missouri, DOLIR Director Todd Smith and DOLIR Deputy Director Rod Burnett were excited to visit Doe Run Brushy Creek Mine and Mill upon learning about the facility's exceptional safety records and practices. Not only is Doe Run lauded as one of the safest mines in the state, it is recognized as one of the safest mining facilities in the nation.

Last May, the Doe Run Company was notified by the National Mining Association that its Buick Mine and Mill facility had won the 2007 Sentinels of Safety Award. Issued by the U.S. Department of Labor and the National Mining Association, the award recognizes outstanding safety performance and is regarded as one of the most prestigious safety awards in the industry.

In early October, the company's Mine Rescue teams scored big during Missouri University of Science and Technology's mine rescue competitions held in Rolla, Mo. Doe Run's Maroon Mine Rescue team won the field competitions against 11 other teams, earned the Best In-State Underground Team award, as well as taking first place in the First-Aid Contest and the BG-4 apparatus check and maintenance exercise. Most impressive of all is the fact that the company is the first team ever to win the Rolla competition three years in a row and with the same team members.

The guided tour which the DOLIR's leadership embarked upon took them 1,000 feet underground at Doe Run's Brushy Creek Mine where they witnessed the day-to-day mining activities of an award-winning heavy metal mine, first hand.

"While there is much to be impressed about watching Missouri's miners work 1,000 feet underground, the most impressive is how every single member of the operation truly values and understands the importance of mine safety," said DOLIR Director Todd Smith.

All miners at the facility know their safety practices impact more than themselves – it also impacts their families who anticipate their safe return home at the end of the work day.

The DOLIR hopes the high level of safety achieved at the Doe Run Company will stimulate greater interest in workplace safety and encourage more companies, regardless of industry, to develop more effective accident-prevention programs not only in Missouri, but nationwide as well.



***DOLIR Director Todd Smith (center) and Deputy Director Rod Burnett (left) trek 1,000 feet underground to learn more about Doe Run's exceptional safety standard practices.***



*“As a candidate, I pledged to change the way  
state government operates and to improve the  
business climate in our state to create jobs  
and generate economic growth.”*

*– Gov. Matt Blunt*



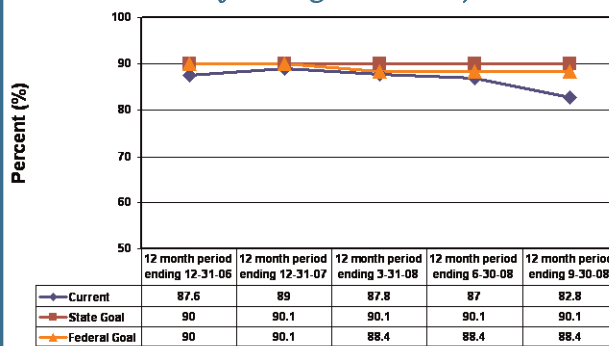
# Performance Measures

The Department strives to promote the economic security of workers and their families.

### Filing of Unemployment Insurance Benefit Claims

The prompt payment of unemployment insurance benefits to eligible claimants is a primary objective for the Department. In state fiscal year 2008, the Department processed 388,282 initial, renewed and reopened claims. Of those workers filing a claim, 78.5 percent met the earnings requirements to establish monetary eligibility. Claimants are required to file for unemployment benefits each week. In state fiscal year 2008, 2,531,274 weekly claims were filed resulting in a total of \$470,379,000 paid in unemployment benefits.

*90.1% of unemployment insurance intrastate first payments made within 14 days of compensable week (federal goal is 88.4%)*



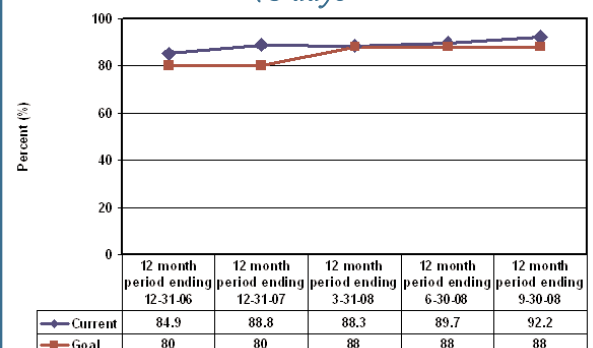
### UI Wages and Benefits

State Fiscal Year	Average Weekly Wage	Average Weekly Benefit
2001	\$ 598.68	\$ 194.68
2002	\$ 618.39	\$ 204.60
2003	\$ 631.01	\$ 205.72
2004	\$ 643.67	\$ 205.35
2005	\$ 663.68	\$ 205.03
2006	\$ 684.61	\$ 208.23
2007	\$ 707.34	\$ 219.27
2008	\$ 735.73	\$ 233.56

### Workers' Compensation Decisions

Most disputes in workers' compensation cases are resolved among the parties or through the dispute resolution services offered by the Division. Should resolution efforts fail the parties may request that a formal evidentiary hearing be held before one of the Division's Administrative Law Judges. A decision is then issued by the Administrative Law Judge. These are cases typically involving serious injury, death or complicated legal issues.

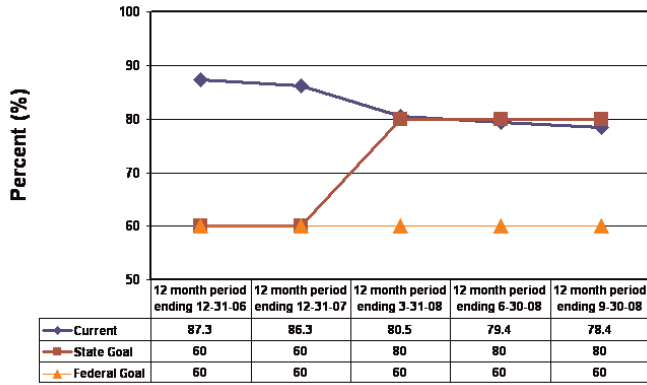
*88% of workers' compensation decisions by Administrative Law Judges issued within 75 days*



# Secure Workforce

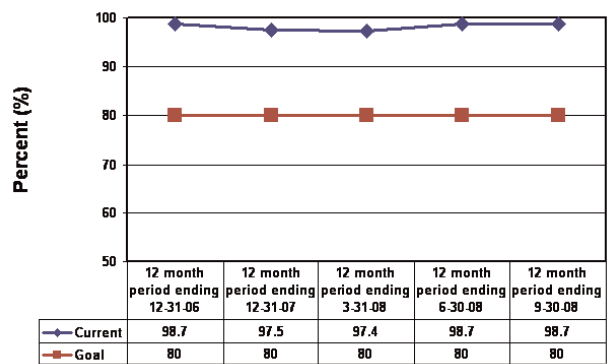
## Processing of Unemployment Insurance Appeals Claims

80% of unemployment insurance appeals decisions are issued by the Appeals Tribunal within 30 days (federal record is 60%)



The Unemployment Insurance Program provides due process hearings for all appeals arising under the unemployment insurance law and other special programs. In state fiscal year 2008, 26,556 cases were filed with the Division of Employment Security's Appeals Tribunal.

80% of unemployment insurance appeals meet federal quality standards

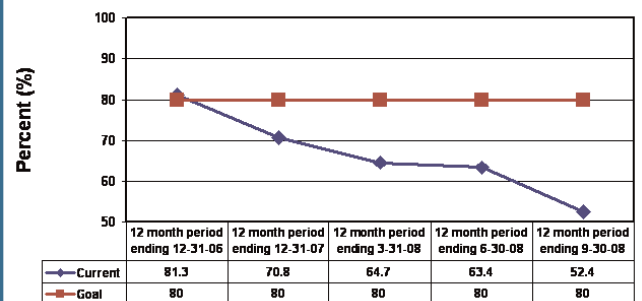


## Review of Unemployment Insurance Benefit Claims

In addition to meeting the earnings requirement for unemployment insurance benefits, claimants must also meet the non-monetary provisions of the law relating to job separation and eligibility when claiming unemployment benefits. Job separations for reasons other than a lack of work (quits, discharges, etc.) or refusals of suitable work will raise an issue that must be examined for potentially disqualifying information.

In state fiscal year 2008, 108,494 separation determinations were issued.

80% of unemployment insurance nonmonetary decisions on separation issues completed within 21 days

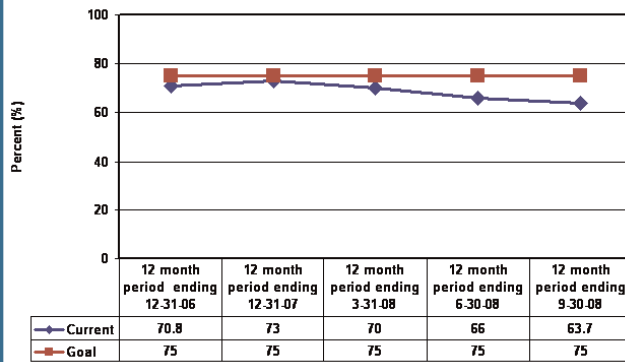




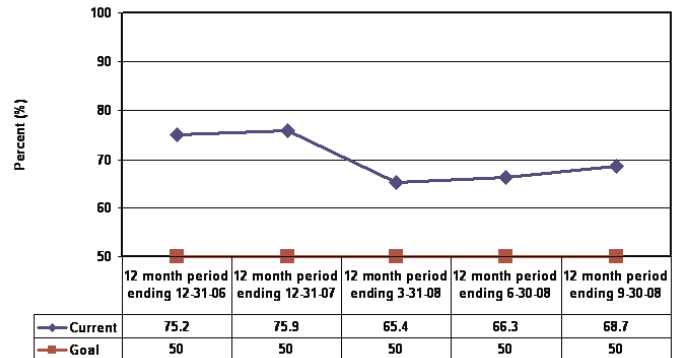
## Processing Appeals at the Highest Administrative Level

The Labor and Industrial Relations Commission hears appeals from decisions and awards in workers' compensation, unemployment compensation, crime victims' compensation, and tort victims' compensation cases at the highest administrative level. In state fiscal year 2008, 510 workers' compensation cases and 3,890 unemployment insurance cases were appealed to the Commission.

*75% of workers' compensation appeals related to awards issued by the Labor and Industrial Relations Commission within 180 days*



*50% of unemployment insurance appeals to the Labor and Industrial Relations Commission issued within 45 days*



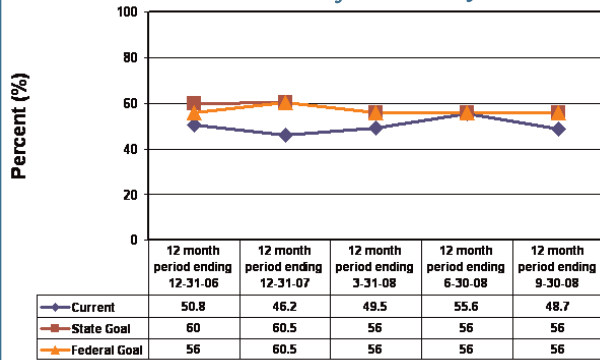
# Prepared Workforce

The Department works to secure economic security, enhance opportunities for Missouri workers and enforce anti-discrimination laws.

## Collection of Unemployment Insurance Overpayments

The collection of unemployment insurance overpayments is a high priority for the Department. Before the collection can occur, staff must review unemployment insurance claims to determine if the person who received the payments was eligible and received the correct amount. In state fiscal year 2008, a total of 19,835 separate overpayment cases were detected and established for recovery, resulting in the identification of \$15,220,821 in overpayments.

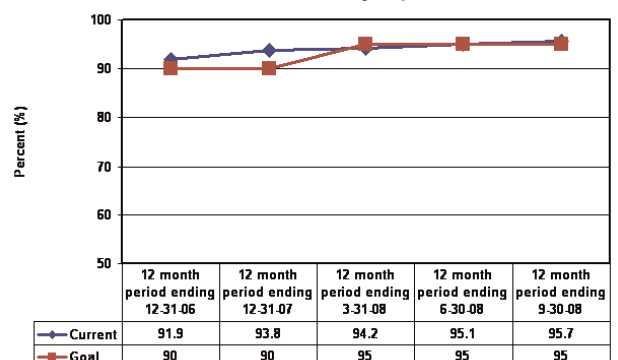
*56% of unemployment insurance overpayments will be established for recovery*



## Filing of Work-Related Injuries

Nearly 130,000 workers' compensation injuries were reported in state fiscal year 2008. Providing prompt and equitable resolution of these cases requires that each case have accurate and complete information and that the information is received in a timely manner.

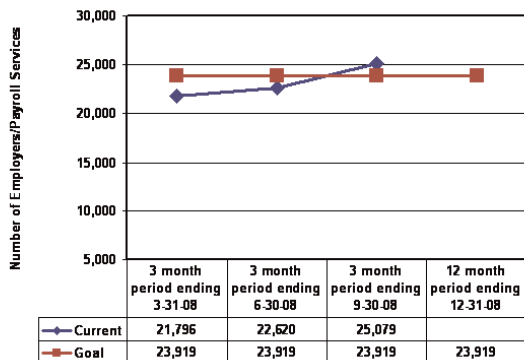
*95% of workers' compensation first reports of injury filed by insurers/self-insured employers within 30 days of injury*



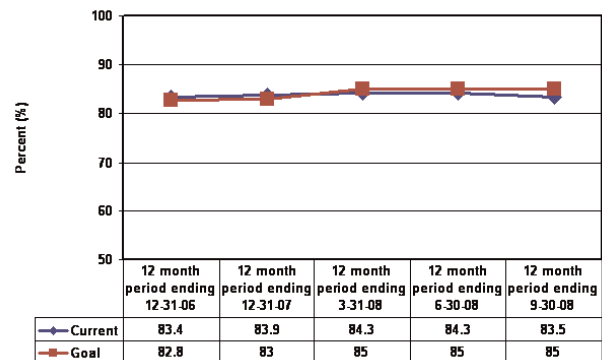
## Collection of Unemployment Insurance Contributions (Taxes)

Ensuring employers accurately classify their workers, report workers' wages and pay the correct amount of unemployment contributions (taxes) contributes to accurate and timely wage reporting. In January 2005, the Department implemented the Unemployment State Tax Automated Reporting (USTAR) system which allows employers to file quarterly contribution and wage reports and submit payments over the Internet. Since its inception, the Department has focused on increasing the number of employers and payroll service companies that file their quarterly information through USTAR.

**15% increase in the number of employers/payroll service companies that file quarterly contribution and wage reports through USTAR (from 20,799 to 23,919) by December 31, 2008**



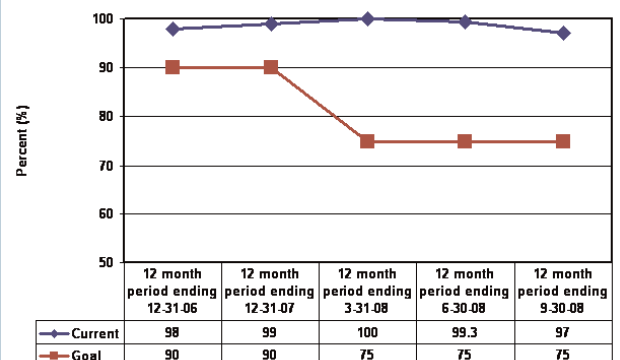
**85% of unemployment insurance determinations about unemployment insurance tax liability of new employers made within 90 days**



## Youth Employment

Each year, many youth are injured on the job. The Department investigated and resolved 4,145 violations of Missouri's Child Labor Law in state fiscal year 2008 and positively impacted the lives of 1,508 working youth. Correction of violations leads to youth working in safe and healthy workplaces which permits better achievement of educational goals.

**75% of labor standards investigations on cases involving child labor completed within 120 days**



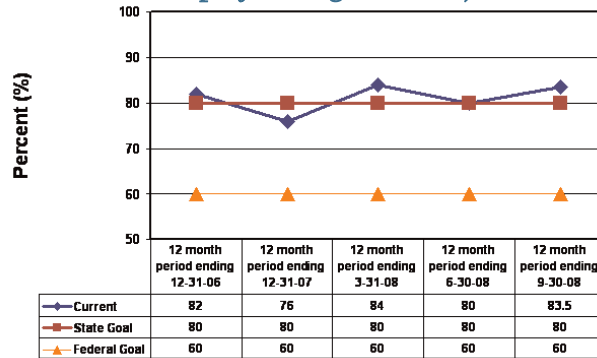
# Prepared Workforce

## Following Missouri Anti-Discrimination Laws

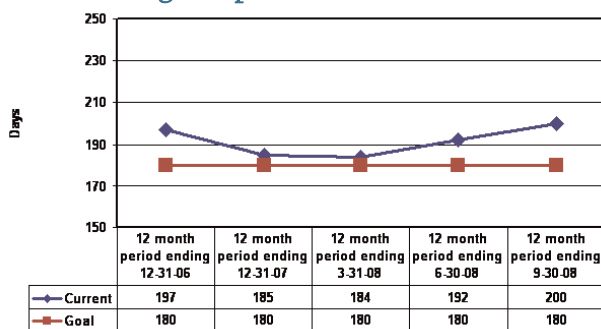
A prepared workforce includes citizens that are safe from discrimination in the areas of employment, housing and public accommodation. Missourians must feel secure at their job, have adequate housing and have the accommodations necessary to be productive citizens at work in the community.

In state fiscal year 2008, 11,950 inquiries about filing a discrimination complaint were received. During the same period, 2,092 complaints were filed. Eighty-three percent of cases filed alleged discrimination in employment, 8.8 percent in housing and 8.2 percent in public accommodations.

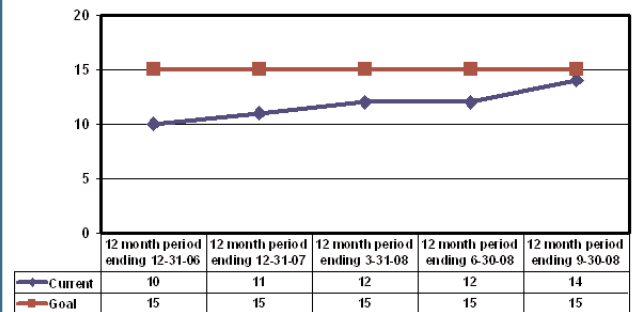
80% of human rights investigations involving housing completed within 100 days of complaint receipt (federal goal is 60%)



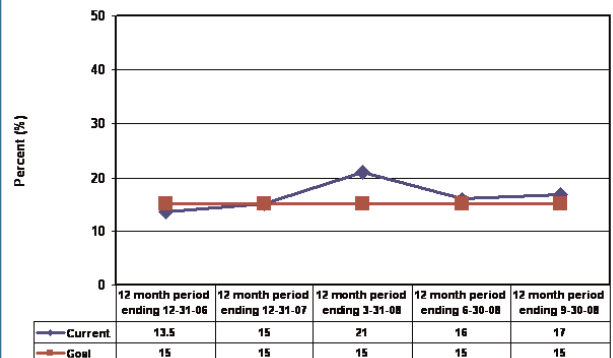
Average processing time of 180 days for 100% of completed investigations involving employment, housing, and public accommodation



15% of human rights cases involving employment, housing and public accommodations resolved with monetary or non-monetary benefits



15% of respondents in human rights cases involving employment and public accommodations participate in early resolution

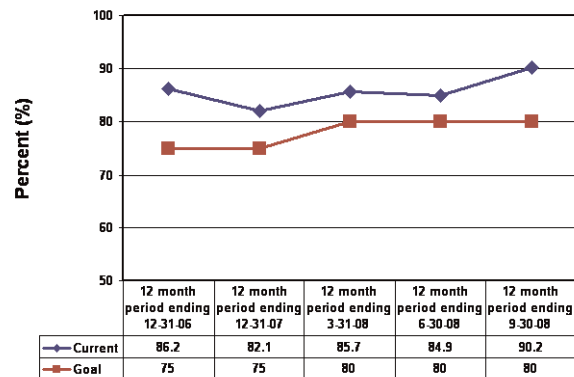




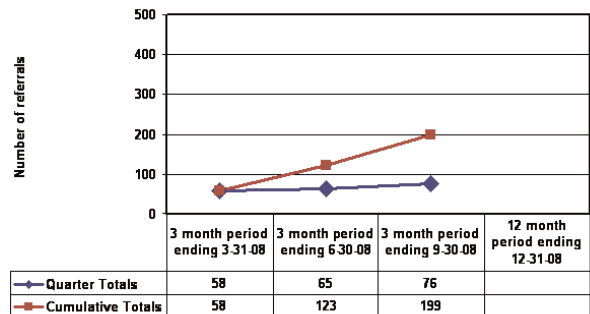
## Unemployment and Workers' Compensation Fraud

The Department is focused on identifying and prosecuting fraudulent unemployment and workers' compensation cases. An increased effort was made this year to strengthen partnerships between the Department and the U.S. Department of Labor's Office of Inspector General and the Missouri Attorney General's Office. The expanded partnerships will allow for better detection and prosecution of individuals attempting to defraud the unemployment insurance or workers' compensation systems.

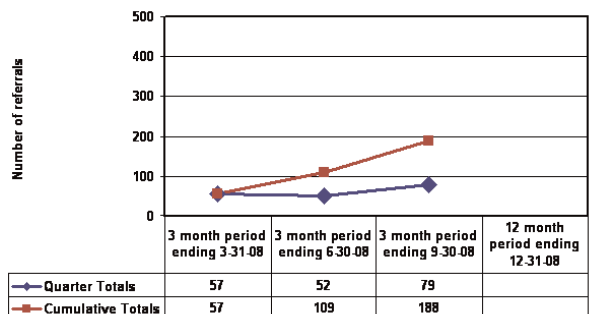
### 80% of workers' compensation, fraud and noncompliance cases, processed within 120 days



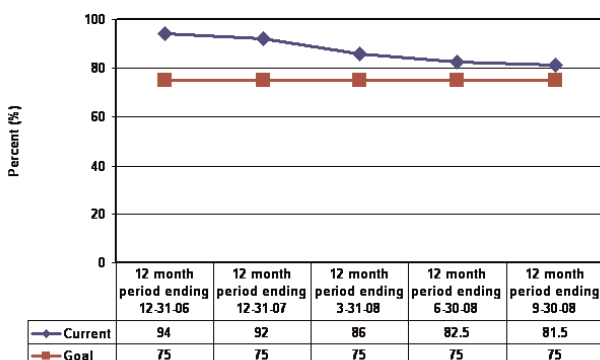
### 5% increase in the number of fraudulent/noncompliance cases referred for prosecution in unemployment insurance (from 278 to 292) cases by December 31, 2008



### 5% increase in the number of fraudulent/noncompliance cases referred for prosecution in workers' compensation (198 to 208) cases by December 31, 2008



### 75% of labor standards investigations on complaint cases involving prevailing wage closed within an average of 120 days



## Earning Correct Wages

The Department is responsible for establishing a prevailing wage rate, plus fringes, that must be paid to workers on public works construction projects in Missouri, such as bridges, roads and government buildings. To ensure the law is followed and wage earners collect their appropriate wages, the Department investigates allegations of incorrect payment of wages.

# Safe Workforce

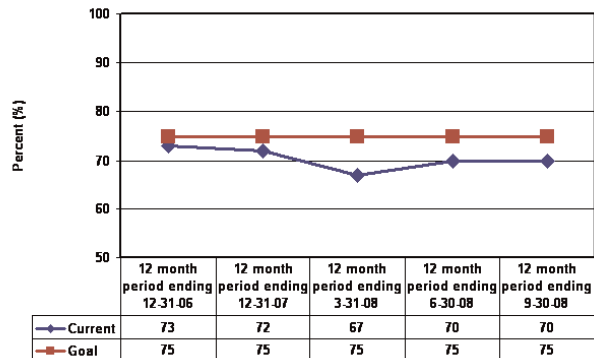
The Department offers safety and health programs to help reduce workplace accidents, illnesses, and fatalities.

## Safe and Healthy Workplaces

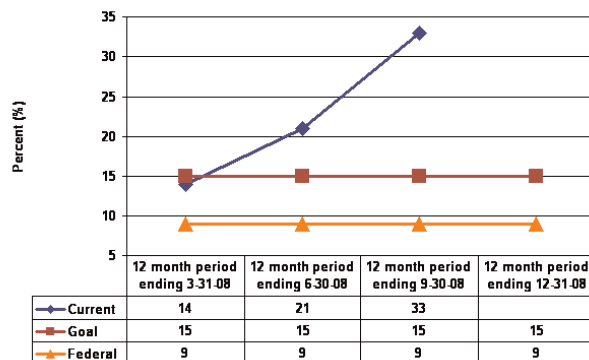
Unsafe and unhealthy workplace practices endanger the health and safety of Missouri's workforce and can hinder the educational opportunities and development of working youth. The Department offers three safety and health programs that help educate employers and employees about their workplace rights and responsibilities. The Department provides workplace consultations and conducts educational trainings and presentations to employers and insurance companies. Over the past 10 years, Missouri has witnessed a significant decrease in the number of workplace injuries reported.

The Division of Labor Standards' On-Site Safety and Health Consultation Program saved employers more than \$3,293,747 million in OSHA fines in fiscal year 2008.

### 75% of requests for safety and health consultations from first-time participants of the Safety and Health Consultation program



### 15% of serious hazards identified by the Missouri Safety and Health Consultation Program corrected on site



[www.dolir.mo.gov](http://www.dolir.mo.gov)

*“Positive changes in the last four legislative sessions have helped Missouri entrepreneurs, small businesses, and large employers create more than 80,000 jobs in our state since I took office in January 2005.”*

*– Gov. Matt Blunt*



# Department Details



# Labor and Industrial Relations Commission

The Department of Labor and Industrial Relations is controlled, managed and supervised by the Labor and Industrial Relations Commission as provided by Section 49, Article IV of the Missouri Constitution. The Commission is composed of three members. Each Commissioner is appointed to a staggered six-year term by the governor with the advice and consent of the Senate. One member of the Commission, a licensed Missouri attorney, who is qualified by reason of previous activities and interests, represents the public. Another member represents employers and the remaining member represents employees. The governor designates a member of the Commission as chair. Historically, the representative of the public has been designated and confirmed as chair of the Commission. The present chairperson is the public member of the Commission.

The Commission hears appeals from decisions and awards in workers' compensation, unemployment compensation, crime victims' compensation, and tort victims' compensation cases at the highest administrative level. The Commission hears and decides prevailing wage disputes. The Commission also hears matters involving project labor agreements pursuant to Section 34.216 RSMo. The Commission is charged with the statutory authority to approve most rules and regulations promulgated by the divisions of the Department.

The Commission nominates and the governor appoints, subject to the advice and consent of the Senate, a director of the Department of Labor and Industrial Relations to be the chief administrative officer.



**William F. Ringer**  
Chair  
Public Member



**Alice A. Bartlett**  
Commissioner  
Employer Member



**John J. Hickey**  
Commissioner  
Employee Member

## State Fiscal Year 2008

- 4,166 Unemployment Insurance Appeals Decisions Issued
- 603 Workers' Compensation/Crime Victim Appeals Decisions Issued
- 7 Prevailing Wage Objection Decisions Issued
- 15 Public Sector Labor Petitions Filed

[www.dolir.mo.gov/lirc](http://www.dolir.mo.gov/lirc)

# Division of Employment Security



**Spencer Clark**  
Acting Director

Unemployment Insurance programs provide partial protection for workers against loss of wages during periods of involuntary unemployment. The benefits paid to insured workers bolster the economy of the state during periods of economic recession by helping maintain the degree of consumer purchasing power.

The Division of Employment Security provides payment of unemployment insurance benefits to workers who become unemployed through no fault of their own. Eligible individuals may qualify for up to 26 weeks of unemployment compensation. One goal of the Division is to promptly supply payments of unemployment benefits to eligible claimants. Individuals may file claims by telephone or via the Internet.

Payment of benefits under the regular program are made from a trust fund supported by contributions from employers and payments by certain governmental and nonprofit employers who reimburse in lieu of paying contributions. No part of the contribution is deducted from a worker's wages.

The Division collects contributions from Missouri employers for the payment of weekly unemployment benefits to qualified claimants. The Division of Employment Security ensures that employers are reporting their workers' wages and paying the correct contributions on those wages.

An independent appeals tribunal hears and decides appeals arising from determinations made by Division of Employment Security deputies in unemployment benefits cases. Referees conduct hearings and issue written decisions in regular unemployment insurance benefit appeals, appeals involving the tax liability of an employer, and other special unemployment insurance programs.

[www.dolir.mo.gov/es](http://www.dolir.mo.gov/es)

## *State Fiscal Year 2008*

139,392	Employers Liable for Contributions
15,471	New Employer Accounts Established
\$572,864,781	Employer Contributions Collected
3,210	Employer Compliance Audits Completed
388,282	Initial Claims Filed
\$470,379,000	Unemployment Insurance Benefits Paid
\$8,227,373	Unemployment Insurance Overpayments Collected
26,556	Appeals Filed

# Division of Labor Standards

The Missouri Division of Labor Standards provides information about workplace issues and enforces certain labor laws within the state. The Division can provide information about worker safety and health, mine and cave safety, compliance with laws regarding child labor, prevailing wage, minimum wage, overtime and dismissal rights, as well as many other general workplace issues.

The Division of Labor Standards consists of four sections:

1. Wage and Hour Section
2. On-Site Safety and Health Consultation Program
3. Mine and Cave Safety and Health Program
4. Missouri's Worker Safety Program



**Paul Buckley**  
Director

Labor Standards' Wage and Hour Section helps Missourians get correct information regarding wages, work hours, vacations, lunches, hiring, and more. Employers and employees are provided information on their workplace rights and responsibilities. More than 18,000 phone calls are answered each year.

The Wage and Hour Section also administers Missouri's Child Labor, Minimum Wage, and Prevailing Wage laws. They help employers protect children's safety, health, morals, educational processes, and general well-being. In addition, the Division is responsible for compiling wage surveys to set the prevailing wage, providing educational outreach and conducting investigations to ensure the prevailing wage and minimum wage laws are followed.

The Division's On-Site Safety and Health Consultation and Mine and Cave Safety and Health programs strive to reduce work-related injuries, illnesses, and fatalities by educating and training employers and employees on workplace safety and health issues. The Division performs consultations and inspections of work sites, during which Division employees identify job hazards and offer recommendations for hazard correction and elimination. The On-Site Safety and Health Consultation Program provides no-cost, on-site safety and health consultations with no penalties or fines for Missouri employers with up to 250 employees.

The Missouri Workers' Safety Program evaluates and certifies the safety programs of workers' compensation insurance carriers in Missouri.

The Division's programs help Missouri's children, employers, and employees participate in healthful and profitable working and educational experiences.

## *State Fiscal Year 2008*

23	Child Labor Complaints Received
4,145	Child Labor Violations Found
153	Mines/Caves Inspected
3,723	Miners Trained
370	On-Site Workplace Consultations Conducted
286	Prevailing Wage Complaints Received
135	Prevailing Wage Violations Found
\$106,090	Prevailing Wage Penalties Collected

[www.dolir.mo.gov/lr](http://www.dolir.mo.gov/lr)

# Division of Workers' Compensation



**Jeff Buker**  
Director

The Division of Workers' Compensation works with employers and employees regarding workplace injuries and illnesses. Many Missouri employers are required by law to carry workers' compensation insurance for employees. Workers' compensation insurance provides financial assistance to workers injured on the job. The Division helps ensure that those injured workers receive appropriate medical treatment and payment of compensation for lost wages.

The Division also oversees the funding and adjudication of the Second Injury Fund, which compensates injured employees when a current work-related injury combines with a prior disability to create an increased combined disability. The Fund also is utilized for paying medical bills of injured employees when the employer fails to insure its workers' compensation liability. In addition, if the employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the employee are paid from the Fund if the employer is uninsured.

The Division also provides prompt and equitable resolution of disputes in cases of work-related injuries and occupational diseases. Mediation services are provided to help employers and employees resolve disputes about medical treatment and lost wages. This helps prevent costly depositions or formal hearings.

To ensure compliance with workers' compensation laws, the Fraud and Noncompliance Unit conducts confidential investigations of all allegations of workers' compensation fraud and noncompliance on the part of employees, healthcare providers, and employers, including situations when an employer fails to carry required workers' compensation insurance (noncompliance). If fraud or noncompliance is evident, the case is referred to the Office of the Attorney General for prosecution.

[www.dolir.mo.gov/wc](http://www.dolir.mo.gov/wc)

## *State Fiscal Year 2008*

127,106	First reports of Injury (workplace injuries) Filed
7,216	Number of Hearings (cases that go before an ALJ)
29,289	Total WC Awards and Settlements
1,204	Fraud and Noncompliance Cases Investigated
202	Fraud and Noncompliance Cases Referred for Prosecution

# Missouri Commission on Human Rights

The 11-member Missouri Human Rights Commission provides equitable and timely resolution of discrimination claims through enforcement of the Missouri Human Rights Act. It develops, recommends, and implements ways to prevent and eliminate discrimination in the workplace, public accommodations and housing. Discrimination based on race, color, religion, national origin, ancestry, sex, physical/mental disability, age, and familial status is prohibited by the Act.

Any person has the right to file a written complaint of unlawful discrimination with the Commission on Human Rights. The Commission reviews and investigates the complaint and makes a determination whether there is probable cause to believe discrimination has occurred. If discrimination is found, conciliation is attempted. If the complaint is not resolved in conciliation, a public hearing may take place to adjudicate the matter.

The Commission also offers training to public and private employers, organized groups, school districts, and housing providers on topics such as sexual harassment prevention, cultural sensitivity, disability sensitivity, and fair housing information.



**Alisa Warren**  
Executive Director

## Commission

**Alvin Carter**  
Chairperson  
Term expires 4-1-2011

**James Buford**  
Commissioner 1st District  
Term expires 4-1-2013

**Herman Elmore**  
Commissioner 2nd District  
Term expires 4-1-2011

**Christi Anne Checkett**  
Commissioner 3rd District  
Term expires 4-1-2009

**Susan Lee Pentlin**  
Commissioner 4th District  
Term expires 4-1-2006

**Joanne M. Collins**  
Commissioner 5th District  
Term expires 4-1-2008

**Daniel E. Champion**  
Commissioner 6th District  
Term expires 4-1-2012

**Adolfo Castillo**  
Commissioner 7th District  
Term expires 4-1-2009

**Abdeldjelil "DJ" Belarbi**  
Commissioner 8th District  
Term expires 4-1-2007

**Jaye A. Jackson**  
Commissioner 9th District  
Term expires 4-1-2008

**David Zimmerman**  
Commissioner At Large  
Term expires 4-1-2010

## State Fiscal Year 2008

2,092 Cases received  
2,004 Decisions rendered

## % Filed by Category

Employment..... 83.0%  
Housing ..... 8.8%  
Public Accommodations ..... 8.2%

## % Filed by Type

Sex.....31.3%  
Race.....29.9%  
Retaliation.....30.6%  
Disability.....28.0%  
Age.....17.0%

[www.dolir.mo.gov/hr](http://www.dolir.mo.gov/hr)



# State Board of Mediation



**James Avery**  
Chairman

The State Board of Mediation is a five-member panel directly administering the Public Sector Labor Law, which covers many public employees who seek union representation.

Under the law, public bodies or their designated representatives meet and discuss proposals of employment with a labor or employee organization, which is their exclusive bargaining representative.

The Board primarily determines an appropriate bargaining unit of employees based on whether the proposed group shares interests. Also, it determines majority representative status by conducting a secret ballot election.

[www.dolir.mo.gov/sbm](http://www.dolir.mo.gov/sbm)

## *State Fiscal Year 2008*

May 2008	State Board of Mediation re-established
25	Petitions filed
75	Requests for Public Sector Labor Law assistance/information

*“By changing our state’s business climate,  
we have encouraged Missouri entrepreneurs,  
small businesses, and large employers to create  
new jobs in our state for Missouri workers.”*

*– Gov. Matt Blunt*



# *Proposed Legislation*

Missouri Employment Security Law provides that the directors of the Division of Employment Security and the Division of Workforce Development are to submit a yearly report listing their recommendations related to reemployment activities and work search verifications. This report is required by Section 288.040.9, RSMo.

The Division of Employment Security (DES) recommends the following amendments to Missouri Employment Security Law in an effort to assist with the administration of Missouri's unemployment compensation system:

1. Modify Section 288.040, RSMo, to allow DES to consider a claimant for unemployment insurance benefits to be ineligible to receive benefits for as long as s/he has an outstanding penalty due that was assessed for a previous overpayment of unemployment benefits.
2. Modify Section 288.130, RSMo, to allow DES to reduce from 250 or more to 50 or more the number of workers which require an employer to file their quarterly contribution and wage report electronically by magnetic media or the Internet.
3. Modify Sections 288.160 and 288.170, RSMo, to amend unemployment insurance collection statutes. The modification would allow the service on the debtor by certified and registered mail as well as filing a certificate of assessment with the recorder of deeds in the county of the debtor.
4. Modify Section 288.250, RSMo, to clarify that DES may disclose unemployment information to state and federal officials as permitted by federal law.

The DES believes the provisions in these legislative proposals will help ensure Missouri's unemployment compensation program operates effectively and efficiently and assist the agency in meeting its performance goals.

## *Second Injury Fund*

Actuarial studies performed by PriceWaterhouseCoopers (PwC) and the Missouri State Auditor's Office in 2007 concluded that the Second Injury fund (SIF) will run out of money in the near future. In December 2008, the Department received information from PwC that projects the fund will become insolvent in November 2009. The Department has provided historical and statistical information to the Legislature, the Governor's Office, and other interested parties over the past few years.

It seems very likely that interested parties will file legislation to address the insolvency of the SIF in 2009. The Department has heard potential solutions to fix the ailing SIF ranging all the way from completely ending the SIF, to returning responsibility to the regular workers' compensation system, and to limit coverage to veterans and people with permanent total disability claims, among others.

During the 2008 Legislative Session, the Legislature did pass and the Governor signed into law HB 1883 which included language that rejects and abrogates the Missouri Supreme Court decision in '*Schoemehl v. Treasurer of State*,' 217 S.W. 3d 900 (2007) and clarifies that the surviving dependent(s) of the employee is not entitled to receive the unpaid unaccrued permanent total disability benefits. Under the act, all rights to unaccrued compensation for permanent total disability shall cease upon the death of the injured employee if the death was unrelated to compensable injury. Unpaid unaccrued compensation for permanent partial disability will continue to be paid to dependents.

This legislation potentially would create a savings for the SIF and the employer/insurer. By reducing the number of people who are eligible to receive permanent total disability benefits as dependents after the injured worker dies, the result would arguably be more money remaining in the SIF.





# *Financial Summary*

<u><i>Division</i></u>	<u><i>Appropriation</i></u>
Director and Staff .....	\$ 7,005,679
Labor and Industrial Relations Commission .....	\$ 1,009,102
Division of Employment Security .....	\$ 33,968,822 *
Division of Labor Standards .....	\$ 3,100,265
Division of Workers' Compensation .....	\$ 9,823,629 **
Missouri Commission on Human Rights .....	\$ 1,696,469
State Board of Mediation .....	\$ 27,599
<b>Total .....</b>	<b>\$ 56,631,565</b>

\* This amount includes tax interceptions, claim payments and federal interest payments, but not unemployment insurance benefits.

\*\* This amount includes second injury and tort victims' claims payments and second injury refunds.

*“We are fortunate in Missouri to enjoy a productive, diverse economy with healthy assets in industries such as agribusiness, life sciences, advanced manufacturing, energy, transportation, and logistics, to name a few. These sectors have allowed our state to grow and transition more smoothly into higher-technology industries than some other states.”*

*– Gov. Matt Blunt*



Missouri Department of Labor and Industrial Relations  
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P.O. Box 504  
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